

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Office of Housing

SPECIAL ATTENTION OF:

Hub and Program Center
Directors; Project
Managers; PBCAs; Owners;
and Management Agents

TRANSMITTAL
Section 8 Renewal Policy
Guide Book

Issued: May 18, 2012

- 1. **This Transmits.** Page changes to the Section 8 Renewal Policy Guide Book dated 1/15/08 (as revised 9-10-08 and 4-17-08. These changes are effective immediately unless noted otherwise.
- 2. **Explanation of Changes.** The changes appear with a single asterisk (*) before and after the new text. The changes:
 - A. Discontinue the use of Attachment 20 which allowed the Renewal Contract to which it was attached to be extended. The revised text now permits early termination and renewal of the Section 8 contract upon approval by the Hub Director or designee.
 - B. Eliminate Note 1 following Section 3-2 D which required rents for an Option One B renewal to be restricted to use restricted levels.
 - C. Require the use of current debt service in an Owner's budget-based rent increase request for Option Four. (Section 6-2 A 2. and 6-3 B.)
 - D. Permit the rent adjustments in a multiyear contract using a budget basis only if the proposed rents do not exceed comparable market rents for Option Four. (Section 6-3.B.)
 - E. Provide for new procedures when rents in a Rent Comparability Study are above 110 percent of the Fair Market Rent or Small areas Fair Market Rent for metropolitan areas. This change is effective 90 days from the date of these page changes. (Section 9-23 and 9-24)

F. Remove language in Chapter 16 "Other Issues" that requires original debt service to be used in budget-based rent increase requests in Option Four to make it consistent with the language in Chapter 6.

Filing Instructions:

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Remove:	Insert:
Chapter 2, page 9, dated 01/15/08	Chapter 2, page 9,10 dated May 18, 2012
Chapter 3, page 2, dated 01/15/08	Chapter 3, page 2, dated May 18, 2012
Chapter 6, page 3, 4, 5 dated 01/15/08	Chapter 6, page 3, 4, 5 dated May 18, 2012
Chapter 9, page 32 dated 01/15/08	Chapter 9, page 32, 33, 34 dated May 18, 2012
Chapter 16, page 2 and 3 dated 04/17/09	Chapter 16, pages 2 dated May 18, 2012

____/s/___

Carol J. Galante

Acting Assistant Secretary for Housing - Federal Housing Commissioner